

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6140
BILL NUMBER: SB 55

DATE PREPARED: Mar 30, 1999
BILL AMENDED: Mar 29, 1999

SUBJECT: Alcoholic beverages.

FISCAL ANALYST: Kristin Breen
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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill makes numerous changes concerning alcoholic beverages, including the following:

- (1) It corrects a reference to the Indiana Administrative Code in order to cite the current rule on Sunday sales of alcoholic beverages by certain retailers.
- (2) It revises the description of auto racing facilities in the law concerning the time to begin Sunday sales of alcoholic beverages so that the law is not limited to an oval track.
- (3) It provides that at certain auto racing facilities, the owner or operator may permit a person to enter with an alcoholic beverage for consumption at the facility and that a person may carry on, convey to, or consume, on or about the facility, an alcoholic beverage that was not then and there purchased at the facility.
- (4) It provides that the Alcoholic Beverage Commission may not issue a beer retailer's permit to a person who, within ten years before the date of application, has been convicted of certain federal or state crimes.
- (5) It allows minors to be present in indoor golf facilities where alcoholic beverages are sold.
- (6) It changes from \$20 to \$5 the fee for an alcoholic beverage employee's permit when the permit holder uses the permit only to perform volunteer service that benefits a nonprofit organization. It provides that it is unlawful to use for any other purpose an employee's permit obtained for volunteer use that benefits a nonprofit organization.
- (7) It provides that certain wholesaler's permits are effective for a two year period.
- (8) It eliminates the requirement of a \$500 surety bond for alcoholic beverage wholesalers, wine bottlers, and alcoholic beverage carriers.
- (9) It provides that payments required under the alcoholic beverage laws may be made by a check drawn on a business bank account.
- (10) It provides that the city of Mishawaka may obtain a permit for the retail sale of alcoholic beverages at the city golf course.
- (11) It provides that the holder of an alcoholic beverages club permit may keep a guest book listing members and their nonmember guests, except on designated guest days.
- (12) It allows the holder of both a brewer's permit and a supplemental retailer's permit to sell beer

manufactured by the permit holder for carryout on Sunday.

Effective Date: (Revised) Upon passage; July 1, 1999.

Explanation of State Expenditures: (Revised) (7) This provision provides that beer wholesaler and wine wholesaler permits are effective for two calendar years. Under current law they are effective for one year. This may decrease the Alcoholic Beverage Commission's (ABC) workload by a nominal amount. There are currently 54 beer wholesaler and 25 wine wholesaler permits in Indiana.

Explanation of State Revenues: (Revised) (6) This provision reduces the biennial fee for an employee's permit from \$20 to \$5 when the permit is used to perform volunteer service for a nonprofit organization. It is estimated that this would result in a revenue loss of not more than \$2,250 (150 people x \$15) every two years. Permit fee revenue is first deposited in the Excise Police Retirement Fund to pay benefits and administrative costs. Remaining revenue is then deposited in the ABC's Enforcement and Administration Fund.

(10) This provision provides that the city of Mishawaka may obtain a permit for the retail sale of alcoholic beverages at the city golf course. This would increase permit fee revenue by a minimal amount. The annual fee for a *beer retailer* permit in a second class city is \$200. The annual fee for a *liquor retailer* permit in a second class city is \$675. The annual fee for a *wine retailer* permit is \$25 if the retailer holds a beer and/or liquor retailer permit and \$50 if the retailer does not hold any other permit. If all three retail permits are applied for, the total annual fee revenue would equal \$900. One-third of permit fee revenue is distributed to the state General Fund.

This may increase the amount of alcoholic beverages sold, which would increase excise tax revenue. Excise tax revenue is deposited in the state General Fund, the Post War Construction Fund, the ABC's Enforcement and Administration Fund, the Pension Relief Fund, the Addiction Services Fund, and the Wine Grape Market Development Fund.

(12) This provision may increase the sale of beer by a minimal amount. An increase in the amount of beer sold would increase beer excise tax revenue. The beer excise tax is \$0.115 per gallon. Revenue is deposited in the state General Fund, the Addiction Services Fund, the ABC's Enforcement and Administration Fund, and the Post War Construction Fund. The beer excise tax generates approximately \$13.4 million annually. Fifty percent of revenue deposited in the state General Fund is to be allocated to cities and towns.

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) (10) This provision provides that the city of Mishawaka may obtain a permit for the retail sale of alcoholic beverages at the city golf course. Two-thirds of permit fee revenue is deposited in the general fund of the city and county where the permittee is located.

(12) See State Revenues.

State Agencies Affected: Alcoholic Beverage Commission

Local Agencies Affected: Mishawaka.

Information Sources: Don Okey, Alcoholic Beverage Commission, 232-2463; Thomas Coleman, Indiana

Beverage Alliance, 687-9615.